



CALIFORNIA STATE
PUBLIC WORKS BOARD

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ NINTH FLOOR ■ SACRAMENTO CA ■ 95814-3706 ■ (916) 445-9694

STATE PUBLIC WORKS BOARD

April 8, 2011

MINUTES

PRESENT:

Ms. Ana Matosantos, Director, Department of Finance
Mr. Scott Harvey, Acting Director, Department of General Services
Mr. Martin Tuttle, Deputy Director of Planning and Modal Programs, Department of Transportation

STAFF PRESENT:

Greg Rogers, Administrative Secretary
Nathan Brady, Assistant Administrative Secretary
Theresa Gunn, Assistant Administrative Secretary
Chris Lief, Assistant Administrative Secretary
Stan Hiuga, Budget Analyst
Andrew Ruppenstein, Budget Analyst
Shryl Thomas, Budget Analyst
Madelynn McClain, Budget Analyst

CALL TO ORDER AND ROLL CALL:

Ms. Ana Matosantos, Chairperson of the Board and Director of the Department of Finance, called the meeting to order at 10:03 a.m. Mr. Greg Rogers, Administrative Secretary for the Board, called the roll. A quorum was established.

The first order of business was discussion of the minutes from the March 11, 2011 meeting. Mr. Rogers reported that Board staff were still working on the minutes from the previous meeting and that they would be available at the next Board meeting.

BOND ITEMS:

There were no Bond Items on this month's agenda.

CONSENT ITEMS:

The second order of business was the consent calendar. Mr. Rogers stated the Consent Calendar consists of Items 1 through 15. Mr. Rogers stated that staff had received a notice from the Joint Legislative Budget Committee (JLBC) regarding Consent Item #14, and that the JLBC did not concur with the preliminary plans for the Department of Corrections and Rehabilitation Estrella Infill project. Mr. Rogers then indicated that the revised Consent Calendar consist of Items 1 through 13 and Item 15.

- 8 requests to authorize site selection [Items 1 through 8]
- 1 request to authorize acquisition [Item 9]
- 1 request to recognize a scope change and approve a reversion of project savings [Item 10]
- 1 request to recognize a scope change and approve preliminary plans [Item 11]

- 1 request to transfer the jurisdiction of a building from the Board to the Department of Motor Vehicles [Item 12]
- 1 request to recognize revised project costs [Item 13]
- 1 request to approve preliminary plans and recognize revised project costs [Item 15]

Mr. Harvey expressed concern regarding the payment of services rendered to the Administrative Office of the Courts (AOC). Mr. Harvey noted that DGS is a fee for service agency and that the AOC has been tardy in paying for these services. He requested that Board and AOC staff meet with DGS officials to determine a payment schedule before the next regularly scheduled Board meeting. Mr. Harvey noted that if a payment schedule was not worked out, then DGS staff would “stand down” and not provide services to the AOC until payment is made. Additionally, Mr. Harvey asked staff to work together to avoid getting late information regarding agenda items coming before the Board.

Mr. Rogers stated that staff would be working together on both of these issues. Ms. Matosantos echoed Mr. Rogers’s statement.

There were no comments or questions from the Board and none from the public on the Consent Calendar.

A motion was made by Mr. Harvey and seconded by Mr. Tuttle to approve Consent Calendar Items 1 through 13 and Item 14. The Consent Items were approved by a 3-0 vote.

ACTION ITEMS:

Mr. Rogers informed the Board there was one action item on this month’s agenda, which would be presented by Mr. Nathan Brady, Board staff.

ACTION ITEM 1: Action Item 1 was for the New Redding Courthouse in located in Shasta County. Mr. Brady stated the Board had authorized site selection approval in May 2010 for the Oregon/Yuba site, which consists of six parcels owned by the County and five parcels owned by private parties. The Redding Redevelopment Agency (Redding RDA) has been assisting the Administrative Office of the Courts with negotiations to acquire the privately owned property. Mr. Brady reported that apparently two of the private property owners are not receptive to selling their property at the price offered for them, and the Redding RDA has adopted Resolutions of Necessity and has either initiated or is preparing to initiate Eminent Domain proceedings against these two sellers.

Mr. Brady noted it was highly unusual for a local entity to condemn private property in order to assist the state acquire property for a state project. He also noted in circumstances where condemnation of real property is required for a state project to proceed, the Board is authorized to be (and has been in past instances) the condemning authority in control of the litigation. He further noted the current situation raises several policy issues for the Board. Mr. Brady said the staff recommendation was to have the Board defer action on this item and direct the AOC to study alternate sites and locations for this project.

Mr. Mike Smith, the Project Manager for the New Redding Courthouse, from the AOC was introduced. Ms. Matosantos asked Mr. Smith about the site and the necessity of this particular site. Mr. Smith described the site, the location of the private parcels, and their current use on the preferred site. He indicated the preferred site was a full city block in size and is located in downtown Redding, across from the existing courthouse and other governmental agencies. Mr. Smith also noted the preferred site clearly meets all the program requirements and the new courthouse would consolidate three different locations.

Ms. Matosantos asked why the AOC entered into an agreement with Redding RDA. Mr. Smith replied that the AOC has limited staff to complete the negotiations and appraisals. He went on to note the local redevelopment agencies are suited to perform this work as they are familiar with the area, and that the Redding RDA does not charge for staff time.

Ms. Matosantos noted that it was unusual for a local entity to initiate eminent domain proceedings on state project and inquired as to why this is being done in this instance. Mr. Smith replied it was the local agencies that had the greatest knowledge of the area, it is the most expedient way to proceed, and the most cost effective.

Ms. Matosantos asked what the repercussions would be if the redevelopment agencies were to be eliminated based on the 2011-12 Governors' proposal. She further inquired that if the Redding RDA were to be eliminated, would the acquisition of the private parcels be delayed or abandoned? Mr. Smith stated that another local entity like the city or county could take over the condemnation proceedings. Ms. Matosantos asked what would happen if these two parcels could not be acquired. Mr. Smith replied that the site would no longer meet the courts' needs.

Ms. Matosantos inquired about the alternative site that had been approved. Mr. Smith replied that although the site had been approved, it was not as centrally located and might possibly face opposition from nearby residents, and the city was reluctant to approve this alternative.

Mr. Tuttle asked what the current uses were on the two private parcels at the preferred site. Mr. Smith indicated that one parcel was used as a doctor's office, and that the other was mostly used as an office by social workers having court business. Mr. Tuttle, asked if the MOU included language regarding successors in interest. Mr. Smith replied the MOU did not. Mr. Tuttle stated that the MOU should be amended to clearly lay out who will take over the duties of the Redding RDA in case the Redding RDA is eliminated. Mr. Tuttle also stated that the AOC should continue to pursue this site as it is the best location in this area for the new courthouse project.

Mr. Harvey asked whether site selection criteria included willing sellers. Mr. Smith stated that the owners aren't opposed to the project or selling their property, but that it is the valuation of the land that is in dispute. Mr. Harvey noted that the criteria used in selecting the site would seemingly eliminate all alternatives but the current site. He then asked Board staff if it was believed that there could possibly be other alternative sites available for this project.

Mr. Brady noted that the AOC had examined 32 potential sites before narrowing the selection down to the site currently being discussed, and that Board staff had no knowledge of any other possible alternatives, with the possible exception of a site in Anderson, for which Board staff had little information. Mr. Brady also noted that the issue before the Board was informational, and that the issue was being raised so that the Board might consider the implications of local entities initiating eminent domain proceedings for state projects, when the Board itself has the power to initiate eminent domain. Mr. Rogers noted that at the time of site selection, Board staff did not know that eminent domain was being considered for this project.

Mr. Harvey suggested that the AOC should take the steps necessary to convince Board staff that the site under consideration was truly the preferred site, and that any issues with the MOU have been resolved or that rather the Board would be the preferred lead agency with regard to obtaining this site.

Mr. Tuttle noted that infill development was difficult, and that in the current real estate market it was not uncommon to have owners believing their properties to be worth more than the offer, if their belief was based on an out-of-date appraisal. He also expressed strong support for the site under consideration, and that to consider alternative sites at this point would unnecessarily delay

the project. He also indicated that any problems with the MOU could be resolved before the next Board meeting.

Mr. Brady indicated that Board Staff could work with AOC on the MOU. Mr. Brady suggested, in addition, that the Board might wish to consider whether it was acceptable to allow a local entity to condemn land on behalf of the State of California for a state project, on a case-by-case basis, or that instead the Board should take the lead in eminent domain proceedings.

Ms. Matosantos expressed the opinion that if it was a state project, then the state should be taking the lead in eminent domain proceedings, rather than the local agencies. Mr. Tuttle noted that often the local agencies have the most knowledge concerning the project. In addition, he expressed a desire to see this project move forward. Mr. Harvey indicated support for the idea that the question of whether the state or a local agency should be the lead agency in eminent domain proceedings should be determined on a case-by-case basis.

A motion was made to have the AOC work with staff and report back to the Board to certify that the Oregon/Yuba site is the best site available and an exhaustive search had been done to look at alternatives locations. Additionally, have the AOC work with staff to ensure the MOU is properly constituted to include clarifying language regarding successors in interest in case the Redding RDA is eliminated, allowing the state to take the lead on the condemnation action if that determination is made by the Board.

There were no further questions and or comments from the Board and none from the public.

A motion was made by Mr. Harvey and seconded by Mr. Tuttle to approve the amended recommendation for Action Item 1. Action Item 1 was approved by a 3-0 vote.

OTHER BUSINESS

Mr. Rogers stated there were no Items under Other Business.

REPORTABLES:

Mr. Rogers informed the Board there were two items to report approved by staff under the authority delegated by the Board.

NEXT MEETING:

Mr. Rogers announced the next meeting Public Works Board meeting is scheduled for **Friday, May 13, 2011, at 10:00 am, at the State Capitol, in Room 113.**

There were no comments or questions from the public.

The meeting was concluded at 10:40 am.